

# **EXHIBIT 14**

## Medicaid Prescription Drug Pricing Survey

### INTERVIEW SHEET

Respondent: Suzette Bridges State: AR  
Name of Agency: AR Medicaid Date Completed: 1/13/01

#### A. General Background

1. What is your State's reimbursement methodology for drugs covered under the prescription drug benefit?

lesser AWP - 10.5% + 1551

MPA C

FUL *or charge*

2. What does your State use as its source of pricing information for drugs covered under the prescription drug benefit?

FD B

3. Who calculates your State's reimbursement amounts for drugs covered under the prescription drug benefit?

We do it ourselves. *done by claims processing*

We contract with First Databank to do it.

We contract with a different outside source to do it. (Please name source)

Source:

4. Are you aware that First Databank has recently reported more accurate AWPs for over 400 NDCs based on work done by the U.S. Department of Justice (DOJ) and the National Association of Medicaid Fraud Control Units (NAMFCU)?

Yes

No

**B. Implementation of New First Databank Prices**

5. Is your agency currently using the more accurate AWPs calculated by the DOJ and the NAMFCU and reported by First Databank ?

- Yes, we are using the new prices for all of the listed drugs.
- Yes, we are using the new prices for some of the listed drugs.
- No, we are not currently using the new prices but did at one time.
- No, we have never used the new prices for any of the listed drugs.

6. If you have ever used the new prices, when did you begin?

Month/Year \_\_\_\_\_

7. If your agency is currently using the new prices, do you plan to do so for the foreseeable future?

- Yes
- No

8. If you implemented the new prices but are no longer using them, what month did you stop?

Month/Year \_\_\_\_\_

9. If you are not currently using the new prices, what reasons led to this decision?

- 15 of NDCs had FUL, 30 had State MAC
- Waiting for Fiscal Agent to create file so 10.5% won't be subtracted

10. When the new prices were implemented, did your State change its reimbursement methodology for the affected drugs in any manner?

- Yes
- No

Does your agency have the legal authority to change its reimbursement methodology for the new AWPs reported by DOJ/First Databank, e.g. paying straight AWP instead of a discounted AWP? If not, have you or do you plan to seek the authority to change the methodology?

Yes. 

12. If a drug on the DOJ/First Databank list is subject to a Federal Upper Limit or State MAC, what price is being used?

- The Federal Upper Limit
- The State MAC
- The new AWP
- Whichever is lower
- Other (Please explain)

#### C. Potential Implementation Problems

13. Are you aware that some of the NDCs included in the DOJ/First Databank list are no longer valid?

- Yes
- No

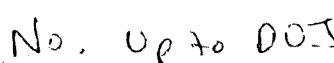
14. For NDCs on the DOJ/First Databank list which are no longer valid, has your State or First Databank cross-walked the drugs to their new NDCs (where applicable) so that the more accurate AWPs are in effect?

- Yes (Please explain how you did this)
- No
- Other (Please explain)

15. Do you feel that your State has the authority to crosswalk to new NDCs?

- Yes (Please explain)
- No (Please explain)



16. Have you found that providers are substituting NDCs which have not undergone price reductions for NDCs included in DOJ/First Databank list? Could you provide us with data to support this?

- Yes (Please explain)
- No

NIA

17. Have providers or other groups lodged complaints about the new prices?

Never one complaint about MAC drugs, but this list caused complaints.  
Hemophelia drugs.

18. How have complaints been resolved?

did not ~~implement~~

#### D. Reimbursement of Physician-Administered Drugs

19. Other than any applicable dispensing fees, does your State pay for physician-administered drugs in the same manner as drugs purchased from a pharmacy?

- Yes
- No

20. How do physicians bill for drugs they administer?

- NDCs
- HCPCS Codes
- Both (Please explain)
- Other (Please explain)

21. How is the reimbursement amount for a physician-administered drug determined?

- We calculate reimbursement amounts for each HCPCS code by crosswalking to an NDC.
- We use the Medicare payment amount for the HCPCS code.
- Other (Please describe)

AWR - 10.5%

22. If reimbursement amounts are based solely on a HCPCS code, are the new First Databank prices somehow taken into account?

Yes (please describe)

No

~~Yes~~ N/A

**E. Impact of New Prices**

23. Do you believe that these new prices are having a short-term cost-saving impact? Could you provide us with data to support this?

Yes (please explain)

No (please explain)

N/A

24. Do you believe that these new prices will have a significant long-term cost saving impact? Could you provide us with data to support this?

Yes (please explain)

No (please explain)

N/A

25. If you are currently using the DOJ/First Databank prices, approximately how much money do you think these new prices will save your State this year? Could you provide us with data to support this?

N/A

26. Overall, has First Databank been responsive to any comments or questions your agency may have had?

Yes (please explain)

No (please explain)

Thru fiscal agent, no problem

First DB is a monopoly though.

Whole system is screwy,

27. Please add any other comments you may have about the use of more accurate AWPs for the Medicaid program.

Likes the idea of more accurate pricing.

Appreciate their efforts.

Looking into ways to implement this family.

## Medicaid Prescription Drug Pricing Survey

### INTERVIEW SHEET

Respondent: Allen Chapman State: CO  
Name of Agency: CO Medicaid Date Completed: 1/9/01

#### A. General Background

1. What is your State's reimbursement methodology for drugs covered under the prescription drug benefit?

lower of AWP - 10% + 4.03  
direct price + 12%  
FUL + 64.03  
MAC + 64.03 or customary

2. What does your State use as its source of pricing information for drugs covered under the prescription drug benefit?

First DB

3. Who calculates your State's reimbursement amounts for drugs covered under the prescription drug benefit?

We do it ourselves. thru contractor, consultant  
 We contract with First Databank to do it.  
 We contract with a different outside source to do it. (Please name source)

Source:

4. Are you aware that First Databank has recently reported more accurate AWPs for over 400 NDCs based on work done by the U.S. Department of Justice (DOJ) and the National Association of Medicaid Fraud Control Units (NAMFCU)?

Yes  
 No

**B. Implementation of New First Databank Prices**

5. Is your agency currently using the more accurate AWPs calculated by the DOJ and the NAMFCU and reported by First Databank?

- Yes, we are using the new prices for all of the listed drugs.
- Yes, we are using the new prices for some of the listed drugs.
- No, we are not currently using the new prices but did at one time.
- No, we have never used the new prices for any of the listed drugs.

6. If you have ever used the new prices, when did you begin?

Month/Year \_\_\_\_\_

7. If your agency is currently using the new prices, do you plan to do so for the foreseeable future?

- Yes
- No

8. If you implemented the new prices but are no longer using them, what month did you stop?

Month/Year \_\_\_\_\_

9. If you are not currently using the new prices, what reasons led to this decision?

- ① Questions about validity of prices (buntley collected.)
- \* ② \*Performing other things to work on, ~~.....~~
- ③ When Medicare decided not to, we held off for good

10. When the new prices were implemented, did your State change its reimbursement methodology for the affected drugs in any manner?

- Yes
- No

11. Does your agency have the legal authority to change its reimbursement methodology for the new AWPs reported by DOJ/First Databank, e.g. paying straight AWP instead of a discounted AWP? If not, have you or do you plan to seek the authority to change the methodology?

Yes, thru state mac

12. If a drug on the DOJ/First Databank list is subject to a Federal Upper Limit or State MAC, what price is being used?

- The Federal Upper Limit
- The State MAC
- The new AWP
- Whichever is lower
- Other (Please explain)

N/A

#### C. Potential Implementation Problems

13. Are you aware that some of the NDCs included in the DOJ/First Databank list are no longer valid?

- Yes
- No

14. For NDCs on the DOJ/First Databank list which are no longer valid, has your State or First Databank cross-walked the drugs to their new NDCs (where applicable) so that the more accurate AWPs are in effect?

- Yes (Please explain how you did this)
- No
- Other (Please explain)

N/A

15. Do you feel that your State has the authority to crosswalk to new NDCs?

- Yes (Please explain)
- No (Please explain)

state mac

16. Have you found that providers are substituting NDCs which have not undergone price reductions for NDCs included in DOJ/First Databank list? Could you provide us with data to support this?

- Yes (Please explain)
- No

N/A

17. Have providers or other groups lodged complaints about the new prices?

Lots of others, hemophiliac centers + home infusion  
National orgs.

18. How have complaints been resolved?

Did not implement

#### **D. Reimbursement of Physician-Administered Drugs**

19. Other than any applicable dispensing fees, does your State pay for physician-administered drugs in the same manner as drugs purchased from a pharmacy?

- Yes
- No

20. How do physicians bill for drugs they administer?

- NDCs
- HCPCS Codes
- Both (Please explain)
- Other (Please explain)

21. How is the reimbursement amount for a physician-administered drug determined?

- We calculate reimbursement amounts for each HCPCS code by crosswalking to an NDC.
- We use the Medicare payment amount for the HCPCS code.
- Other (Please describe)

AWP, base on brand AWP

22. If reimbursement amounts are based solely on a HCPCS code, are the new First Databank prices somehow taken into account?

- Yes (please describe)
- No

NIA

**E. Impact of New Prices**

23. Do you believe that these new prices are having a short-term cost-saving impact? Could you provide us with data to support this?

- Yes (please explain)
- No (please explain)

NIA

24. Do you believe that these new prices will have a significant long-term cost saving impact? Could you provide us with data to support this?

- Yes (please explain)
- No (please explain)

NIA

25. If you are currently using the DOJ/First Databank prices, approximately how much money do you think these new prices will save your State this year? Could you provide us with data to support this?

NIA

26. Overall, has First Databank been responsive to any comments or questions your agency may have had?

- Yes (please explain)
- No (please explain)

Have not dealt with them

Their fiscal agent did.

Consultee dealt with them

27. Please add **any** other comments you may have about the use of more accurate AWPs for the Medicaid program.

## Medicaid Prescription Drug Pricing Survey

### INTERVIEW SHEET

Respondent: Benny Ridout

State: NC

Name of Agency: \_\_\_\_\_

Date Completed: 1/24/01

#### A. General Background

1. What is your State's reimbursement methodology for drugs covered under the prescription drug benefit?

AWP - 10%  $\rightarrow$  \$5.60  
FUL

no <sup>for</sup> resells of same  
pills within same  
month

UC charg

2. What does your State use as its source of pricing information for drugs covered under the prescription drug benefit?

FDB

3. Who calculates your State's reimbursement amounts for drugs covered under the prescription drug benefit?

- We do it ourselves.
- We contract with First Databank to do it.
- We contract with a different outside source to do it. (Please name source)

Source: EDS

4. Are you aware that First Databank has recently reported more accurate AWPs for over 400 NDCs based on work done by the U.S. Department of Justice (DOJ) and the National Association of Medicaid Fraud Control Units (NAMFCU)?

- Yes
- No

**B. Implementation of New First Databank Prices**

5. Is your agency currently using the more accurate AWPs calculated by the DOJ and the NAMFCU and reported by First Databank?

- Yes, we are using the new prices for all of the listed drugs.
- Yes, we are using the new prices for some of the listed drugs.
- No, we are not currently using the new prices but did at one time.
- No, we have never used the new prices for any of the listed drugs.

6. If you have ever used the new prices, when did you begin?

Month/Year \_\_\_\_\_

7. If your agency is currently using the new prices, do you plan to do so for the foreseeable future?

- Yes
- No

8. If you implemented the new prices but are no longer using them, what month did you stop?

Month/Year \_\_\_\_\_

9. If you are not currently using the new prices, what reasons led to this decision?

- 1) Obvious that prices were too low after AWP-10%
- 2) 60-70% of drugs were in docs offices, didn't even go thru pharmacy programs. <sup>medicaid should</sup> get these prices for 'Scodes too. Tighten up on doctors as well as pharmacy

10. When the new prices were implemented, did your State change its reimbursement methodology for the affected drugs in any manner?

- Yes
- No      AIA

- 3) No way to maintain prices, DOJ didn't think this through. FDB is not going to update.

11. Does your agency have the legal authority to change its reimbursement methodology for the new AWPs reported by DOJ/First Databank, e.g. paying straight AWP instead of a discounted AWP? If not, have you or do you plan to seek the authority to change the methodology?

Change state plan & state law.  
Not feasible.

12. If a drug on the DOJ/First Databank list is subject to a Federal Upper Limit or State MAC, what price is being used?

- The Federal Upper Limit
- The State MAC
- The new AWP
- Whichever is lower
- Other (Please explain)

NIA

#### C. Potential Implementation Problems

13. Are you aware that some of the NDCs included in the DOJ/First Databank list are no longer valid?

Yes Heard this from other states  
 No

14. For NDCs on the DOJ/First Databank list which are no longer valid, has your State or First Databank cross-walked the drugs to their new NDCs (where applicable) so that the more accurate AWPs are in effect?

- Yes (Please explain how you did this)
- No
- Other (Please explain)

NIA

15. Do you feel that your State has the authority to crosswalk to new NDCs?

- Yes (Please explain)
- No (Please explain)

Not fully aware

16. Have you found that providers are substituting NDCs which have not undergone price reductions for NDCs included in DOJ/First Databank list? Could you provide us with data to support this?

Yes (Please explain)  
 No

NIA

17. Have providers or other groups lodged complaints about the new prices?

HHAs & Memphis people called & wrote letters.

Stressed Access Issues. Disp fee not enough.

18. How have complaints been resolved?

Providers say making it off spread

did not implement

Taking away spread & reimb.  
is too low.

#### D. Reimbursement of Physician-Administered Drugs

19. Other than any applicable dispensing fees, does your State pay for physician-administered drugs in the same manner as drugs purchased from a pharmacy?

Yes  
 No

20. How do physicians bill for drugs they administer?

NDCs  
 HCPCS Codes  
 Both (Please explain)  
 Other (Please explain)

21. How is the reimbursement amount for a physician-administered drug determined?

We calculate reimbursement amounts for each HCPCS code by crosswalking to an NDC.  
 We use the Medicare payment amount for the HCPCS code.  
 Other (Please describe)

22. If reimbursement amounts are based solely on a HCPCS code, are the new First Databank prices somehow taken into account?

- Yes (please describe)
- No

N/A

**E. Impact of New Prices**

23. Do you believe that these new prices are having a short-term cost-saving impact? Could you provide us with data to support this?

- Yes (please explain)
- No (please explain)

N/A

24. Do you believe that these new prices will have a significant long-term cost saving impact? Could you provide us with data to support this?

- Yes (please explain)
- No (please explain)

N/A, but said  
"Manufacturers will beat you  
at your game."

25. If you are currently using the DOJ/First Databank prices, approximately how much money do you think these new prices will save your State this year? Could you provide us with data to support this?

N/A

26. Overall, has First Databank been responsive to any comments or questions your agency may have had?

- Yes (please explain)
- No (please explain)

Told them not to implement.  
They said no problem.

27. Please add any other comments you may have about the use of more accurate AWPs for the Medicaid program.

DOS did not do this right way.

Asked Lamm "Why not put these drugs on FUL?"  
"HCFAs said they can't do this."

Govt Discounting AWP is not the solution to  
this problem. <sup>HCFAs should</sup> Go to Congress and  
change rebate law from between AMP  
& best price to AWB & best price or  
percentage of AWB. This would solve problems  
right away. AWB would drop  
like a fly.  
Stop piece-mealing this.

Don't screw pharmacists and <sup>then</sup> leave  
doctors alone.